

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
FORMER MARSHALL COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2005  
Through May 31, 2006**



**CRIT LUALLEN  
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**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable Ann C. Riley  
Former Marshall County Property Valuation Administrator  
The Honorable Andrew Hillmann  
Marshall County Property Valuation Administrator  
Benton, Kentucky 42025

We have performed the procedures enumerated below, which were agreed to by the former Marshall County Property Valuation Administrator (former PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2005 through May 31, 2006. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the former Marshall County former PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the former PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the period-end bank reconciliation (May 31, 2006), to determine if amounts are accurate.

Finding -

The former PVA maintained a computer-generated receipts and disbursements ledger for the period. Bank records were reconciled to the books on a monthly basis. The period-ended bank reconciliation (May 31, 2006) appears accurate.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

The recorded city receipts agreed to amounts confirmed by all city governments. City receipts appear to have been accounted for accurately and completely.



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3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the former PVA's local bank account.

Finding -

The budgeted statutory contribution from the fiscal court agreed with the legally required amount calculated by the Department of Revenue. The fiscal court paid the deputy compensation apportionment of the statutory contribution directly to the Department of Revenue. The remaining amount was traced to the former PVA's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from former PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

All selected expenditures agreed with cancelled checks and paid invoices or other supporting documentation. All expenditures appeared to be for official business. The former PVA's office does not have an office credit card for expenditures.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if Assets were added to the former PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursements agreed with supporting documentation and available cancelled checks. It appears proper procedures were followed for all purchases. However, auditor noted that duplicate payments had been made for two assets due to double billings. PVA office staff were in the process of following up on obtaining a refund for this overpayment. Auditor observed the existence of newly acquired assets and noted that most asset additions had been included in the former PVA's inventory records.

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6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

It does not appear that the former PVA had any maintenance agreements or contracts for which a cost schedule for services rendered exists. The office has an arrangement for monthly maintenance of the office copier. Amounts due for maintenance vary by month based on use, for which the office receives a monthly billing. Amounts expended during the year for copier maintenance appears reasonable per related supporting documentation, and services received appear appropriate, for official business, and properly authorized.

7. Procedure -

Compare former PVA's final budget to actual expenditures to determine if former PVA overspent in any account series.

Finding -

It appears that the approved budget for the period was overspent in two of four account series.

*Former PVA Ann C. Riley's Response: I should have amended the budget.*

8. Procedure -

Determine whether collateral was necessary for the former PVA's funds. If necessary determine if the former PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

Federal Deposit Insurance Corporation (FDIC) coverage was sufficient to protect the former PVA's deposits in all months. No pledge of collateral was necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

The PVA office maintains timesheets in the manner required to be submitted to the state for payroll processing. For full-time workers, these timesheets only reflect time not working and the type of leave used. For part-time employees, timesheets do reflect the hours worked. To support hours worked by all employees, a time clock system is utilized within the former PVA office.

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We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the former PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

Engagement fieldwork completed -  
June 9, 2006

